

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**HB 2504 – SB 2502**

February 3, 2010

**SUMMARY OF AMENDMENT (012728):** Limits the pilot program to Davidson, Hamilton, Knox, Shelby, Unicoi, Tipton, Hamblen, and Anderson Counties.

**FISCAL IMPACT OF ORIGINAL BILL:**

Increase State Revenue – Net Impact - \$30,000/Recurring  
Increase State Expenditures - \$26,700/One-Time  
Net Impact - \$185,400/Recurring

Increase Local Revenue –Exceeds \$100,000/Permissive  
Increase Local Expenditures –Exceeds \$100,000/Permissive

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Increase State Revenue – Net Impact - \$15,000/Recurring**  
**Increase State Expenditures – \$6,500/One-Time**  
**Net Impact - \$73,100/Recurring**

**Increase Local Revenue – Exceeds \$100,000/Permissive**  
**Increase Local Expenditures – Exceeds \$100,000/Permissive**

Assumptions applied to amendment:

- Approximately 20 county clerk locations within the counties included in the pilot program will participate.
- The participating county clerk locations will use existing T-carrier computer line connections. It is estimated that there will not be a significant increase in expenditures for the county clerk locations to use these connections for data transfer purposes.
- Currently, the county health departments are able to issue birth certificates. According to the Department of Health, county clerk locations that participate in the pilot program will be held to the same information security standards that the local health departments are held which includes use of a dedicated printer and maintaining a secure location with limited access for the security paper and computer connections. Additionally, each health department must go through annual training and the birth certificate program is audited annually.

- The Department of Health will need an additional vital records field representative position to conduct initial and ongoing annual training as well as ongoing support for the county clerk locations that participate in the service.
- This position is estimated to result in an increase in one-time expenditures of \$6,500 which includes costs for computers and printers (\$3,800) and office set-up (\$2,700).
- These positions are estimated to result in an increase in recurring expenditures of \$68,110 which includes salaries (\$35,754), benefits (\$12,156), administrative costs (\$7,900), communications and networking (\$1,600), office leasing (\$4,100), travel (\$6,000), and supplies (\$600).
- The Department of Health will charge the county clerk locations participating in the pilot program for staff training and for auditing the facilities. It is estimated that each facility will be charged for 15 hours of work at a rate of \$50 per hour resulting in an increase in state revenue of \$15,000 (20 locations x 15 hours x \$50 per hour).
- The Department will provide state security paper to the county clerks resulting in an increase in expenditures of \$5,000.
- County clerk locations will not participate unless they currently have sufficient personnel to meet program needs.
- Local governments who choose to participate will experience an increase in local revenue estimated to exceed \$100,000 for fees charged for issuing birth certificates.
- Local governments who choose to participate may experience an increase in local expenditures estimated to exceed \$100,000 for the cost of issuing certificates.
- State revenue and expenditures are dependent on the number of county clerks who elect to participate in the pilot program. Any increase in local government revenue collected from birth certificate issuance fees will result in a decrease in state revenue. There will also be a decrease in state expenditures for not issuing any birth certificates that will be issued by county clerks.

## **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/kml